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The Business of AeroCentury Corp.

Worldwide • Regional Aircraft • Leasing

FAA 25th Annual Forecast Conference

Washington D.C., March 7 - 8, 2000

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Overview

- Operating lessor
- Used aircraft
- Regional airlines
- North America, South America, Europe, UK
- In business since 1989 as JetFleet
- AeroCentury Corp. (SYMBOL:ACY) listed on AMEX in 1997
- Portfolio managed by JetFleet

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Strategy

- Market segment
- Operating leases
- Buying right
- Portfolio management

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Current Fleet

Category	Owned
19-pax	11
30-pax	10
50-pax	10
Engines	28

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Globally, the regional airline industry is very healthy

- Regional airlines continue to grow at faster rates than the mainline airlines
- Regionals are becoming fully integrated into the mainline carriers' operations
- Primary mission is to provide service in markets that are uneconomic for mainline jets, expand the mainline hub network to include smaller communities, and complement the services of larger jets by providing service with smaller aircraft at off-peak times of day

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Turboprops dominate the worldwide regional airline fleet

Regional Airline Fleet			
Seats	***Turboprop***	***Jet***	***Total***
<19	1,390		1,390
20-39	1,997	15	2,012
40-59	1,257	498	1,755
60-79	236	346	582
80-99	0	27	27
Total	4,880	886	5,766

Source: BACK Fleet Data, October 1999

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The majority of regional aircraft operators are outside North America

Source: BACK Fleet Data, October 1999

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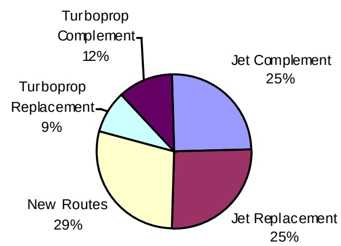
Regional jets are used primarily to complement and replace the services of the larger mainline jets – less than 10% of RJ routes replace turboprops

Regional Jet Applications



Source: BACK Schedule Data, YE 1999

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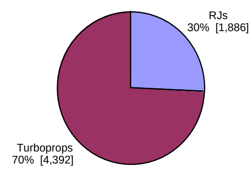
Turboprops will account for close to three quarters of the fleet five years from now

Regional Fleet 2005



Projected Fleet: 6,278

AvSOLUTIONS forecast

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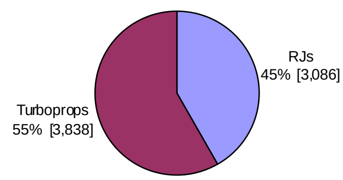
Turboprops will still be nearly 60% of the global fleet ten years from now

Regional Fleet 2010



Projected Fleet: 6,924

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Over the Next Decade …

- Turboprops will continue to be the backbone of the regional airline industry because they can serve the majority of short-haul markets economically
- Turboprops will continue to dominate the regional airline fleet
- RJs will replace and complement more mainline jet routes
- RJs will only minimally replace turboprop routes
- It will be at least another five years before the second generation RJs enter the used market

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Profitable turboprop lease opportunities are available during the next decade, particularly outside the U.S.

- Turboprops are expected to retain good values over the next decade
- Newer second generation turboprops have a long economic life remaining
- Demand for turboprops is growing outside the United States
- Turboprops will maintain a capital cost advantage over the RJs for at least the next decade

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Future plans

- Expand banking network
- Acquire additional aircraft
- Continue to diversify our portfolio by aircraft type, customer and region

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